Economic Times, Kolkata, dated the 28th October, 2002 regarding transfer of an IOC outlet at the disinvested Centaur Hotel's premises at Mumbai;

(b) whether concurrence of IOC was not taken before disinvestment, as reported in the news-item;

(c) if so, the reasons therefor; and

(d) if not, the actual decision of the ownership of this retail outlet after disinvestment?

THE MINISTER OF DISINVESTMENT (SHRI ARUN SHOURIE): (a) Yes, Sir.

(b) to (d) The matter involves issues of disclosures made to the bidders and its consequent legal ramifications. In the meantime, however, parties have approached the Hon'ble High Court and the matter is *sub-judice*.

Loss of Jobs due to disinvestment

482. SHRI MATILAL SARKAR: Will the Minister of DISINVESTMENT be pleased to state:

(a) whether policy of disinvestments has resulted in the loss of jobs to the working people;

(b) whether any pre-condition was asserted for the protection of jobs of these undertakings while putting for disinvestments; and

(c) the details of the persons who lost jobs owing to disinvestment and the role of Government for their protection?

THE MINISTER OF DISINVESTMENT (SHRI ARUN SHOURIE): (a) No, Sir, there has been a continuous reduction in the number of employees of PSU from a level of 2.179 million in 1991-92 to 1.742 million in 2000-01. This indicates that the reduction of employees in PSUs cannot be ascribed to disinvestments alone.

(b) Yes, Sir. Protection of the interest of the employees is an integral part of the disinvestment policy. This is ensured by making appropriate provisions in the Shareholders/Sharepurchase Agreements entered into by the Government with the concerned Strategic Partner. A typical provision related to employees interest incorporated in the Transactions Agreement to be signed at the time of disinvestments of Government equity in PSU is given in Statement (*See* below).

(c) As per the Agreement entered by the strategic Partner with the Government, there is no retrenchment of employees at least till the period of one year after disinvestments and even thereafter separation is possible only under the Voluntary Retirement Scheme as applicable under DPE guidelines or the Voluntary Separation Scheme which was prevailing in the company prior to disinvestments, whichever is more beneficial for the employee. As informed to this Ministry by Eight disinvested PSUs and five disinvested ITDC Hotels, against an initial employee strength of 27967 at the time of disinvestment only 3029 were separated post disinvestment, while 855 fresh appointments have been made, giving a net reduction of only 2174 employees or around 7.8% of the employees at the time of disinvestment. As the units become more competitive and as they complete expansion plans, remuneration of workers as well as job opportunities will improve significantly.

Statement

Typical provisions related to employees' interest incorporated in the Shareholders Agreement are as follows:—

Recitals:

- Subject to the substantives clauses in this regard, the Parties envision that all Employees of the Company on the date hereof will continue in the employment of the Company.
- The SP recognizes that the Government in relation to its employment policies follows certain principles for the benefit of the members of the Scheduled Caste/Schedules Tribes, physically handicapped persons and other socially disadvantages categories of the society. The SP shall use its best efforts to cause the Company to provide adequate job opportunities for such persons. Further, in the event of any reduction in the strength of the employees of the Company, the SP shall use its best efforts to ensure that the physically handicapped persons, Scheduled Castes/ Scheduled Tribes are retrenched at the end.

Substantive Clauses

- Notwithstanding anything to the contrary in this Article—,the Government, shall at any time and at its sole discretion,

have the option of selling shares from its shareholding in the company, representing not more than—of the share capital of the company existing as of date of this Agreement, to the employees of the Company ("employees sell share"). In the event that the Government exercises its option to sell part of its shares to the employees, the employees shall be issued fresh share certificates for the shares transferred to the employees. The Shareholders agree that, upon the completion of transfer, the shares transferred to the employees pursuant to this sub-clause shall not be subject to any restrictions in this Agreement, whether by way of a voting arrangement or a right of first refusal.

- The SP covenants with the Government that

(a) notwithstanding anything to the contrary in this Agreement, it shall not retrench any of the Employees of the Company for a period of 1 (one) year from the Closing Date other than any dismissal or termination of Employees of the Company from their employment in accordance with the applicable staff regulations and standing orders of the Company or applicable Laws;

(b) notwithstanding anything to the country in this Agreement, but subject to Sub-Clause (a) above, any restructuring of the labour force of the Company shall be implemented in the manner recommended by the Board and in accccordance with all applicable Laws;

(c) notwithstanding anything to the contrary in this Agreement, but subject to Sub-Clause (a) above, in the event of any reduction of the strength of the Company's Employees, the SP shall ensure that the Company offers its Employees an option to voluntarily retire on terms that are not, in any manner, less favourable than the VRS applicable before disinvestment.

Disinvestment of PSUs

483. SHRI RAMA MUNI REDDY SIRIGIREDDY: Will the Minister of DISINVESTMENT be pleased to state:

(a) whether it is a fact that Government are divided over disinvestments of public sector undertakings;